
**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
POLICY SUBCOMMITTEE
OF THE
INVESTMENT COMMITTEE**

MINUTES OF MEETING

February 14, 2011

A meeting of the Policy Subcommittee was held on Monday, February 14, 2011 in the Lincoln Plaza North Building, Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at approximately 4:30 p.m. and the following members were present:

Louis F. Moret, Chair
JJ Jelincic, Vice Chair
George Diehr
Priya Mathur

Other Board members present:

Terry McGuire represented John Chiang
Bill Dowell represented Bill Lockyer

AGENDA ITEM 2 – APPROVAL OF THE DECEMBER 2010 MEETING MINUTES

On **MOTION** by Mr. Diehr, **SECONDED** and **CARRIED** to approve the December 13, 2010 meeting minutes as presented.

AGENDA ITEM 3 – TOTAL FUND, Discussion of the Role of Private Asset Class Consultants

Janine Guillot, Chief Operating Investment Officer, provided a presentation which continued the discussion begun in late 2010 regarding the role of private asset class consultants and the independence and the economics surrounding consultant dual roles.

The Subcommittee provided input regarding the consultant role relevant to:

- Strategy and policy analysis
- Performance analysis and monitoring
- Independent advisor to the Investment Committee
- Guiding principles
- Consultant / staff framework for investment decisions
- Opinion standards

During the discussion, the following motion was made and **FAILED**:

On **MOTION** by Mr. Jelincic and **SECONDED** to direct the CIO and COIO to make it optional for the SIO to obtain a consultant opinion on investments within the SIO's delegation of authority.

Next staff will prepare a proposed policy, incorporating the Subcommittee feedback, for presentation at the April 2011 Subcommittee meeting.

AGENDA ITEM 4 – AGENDA AND CALENDAR

a. Draft Agenda

The Subcommittee accepted the proposed April 11, 2011 draft agenda, as revised. The Long-Term Care Fund policy will be moved to the June agenda.

b. 2011 Annual Agenda Item Calendar

The Subcommittee accepted the proposed 2011 Annual Agenda Item Calendar.

AGENDA ITEM 5 – PUBLIC COMMENT

There were no public comments.

The meeting was adjourned at approximately 4:55 p.m.

The next Subcommittee meeting is scheduled for April 11, 2011 at a time to be determined in Sacramento, California.